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NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

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1988 Economic Review and Outlook for the New Mexico Economy in 1989

The U.S. economy has persisted with remarkably solid economic growth throughout 1988. A tightening labor market and booming exports, which are contributing to an industrial capacity utilization rate of 84.0 percent (the highest rate since 1980), are stirring up inflationary pressures. Industrial production for 1988 is expected to climb 5.4 percent. Mounting fears of inflation have coerced the Federal Reserve to restrict credit by hiking the discount rate in order to tame an overheating economy. Consumer spending has risen 3.5 percent over a year ago as a result of robust job and personal income growth.

The U.S. economy should display signs of a slowdown in 1989, posting a 2.3 percent increase in GNP compared to 3.8 percent in 1988. A continuing downturn in construction, the drought's impact on farm production, higher interest rates, less export growth, and reduced government spending are expected to contribute to slower growth next year. The rate of increase in the consumer price index in 1989 is expected to rise to 4.7 percent from 4.1 percent in 1988. Oil prices are projected to hover in the neighborhood of $16-$17/barrel. Long-term interest rates are projected to rise during the year. With growth in trade and services slackening along with diminishing gains in real disposable income, employment is projected to increase just 1.8 percent in 1989.

New Mexico's economy made a comeback in 1988, with nonagricultural employment growth of 1.9 percent contrasting to a bare 0.3 percent gain in 1987. A vigorous manufacturing sector and mild recovery in the mining sector (oil & gas, copper and potash) have contributed to an expanding state economy. State personal income grew 5.1 percent, staying abreast of inflation, in the first half of the year. The New Mexico unemployment rate fell from 8.9 percent in 1987 to 8.3 percent in 1988 but still remains far above the national average of 5.5 percent. Weaker growth in the state's labor force rather than stronger job creation is responsible for the decline in the unemployment rate.

Manufacturing employment swelled 5.0 percent, primarily due to expansion at Transportation Manufacturing Corp. in Roswell and electronics firms in the Albuquerque area. Respectable growth also occurred in the trade and services sectors, with each about 3.0 percent higher than a year ago. New jobs in mining climbed 3.1 percent, as exceptionally strong growth occurred in the copper industry. Oil and gas contributed a small amount of job growth in the mining sector. Oil and gas production, however, declined during the year.

Employment in New Mexico's hobbled construction industry dropped 5.3 percent in 1988 compared to a year earlier, continuing a three year nosedive that amounts to a loss of 7,400 jobs since 1985. The year also saw little office or apartment building. Moreover, single family housing starts dropped 20.0 percent while total authorized housing units have fallen by over a third. Fortunately, the expansion underway at Albuquerque International Airport has kept the sector afloat in 1988.

The government sector grew modestly, with gains in local and state government employment offsetting a 2.1 percent decline in federal employment. Employment in finance, insurance and real estate (FIRE) increased 1.7 percent over last year and transportation, communication and utilities (TCU) employment declined 1.0 percent following the severing of nearly 800 Public Service Company of New Mexico workers statewide.

The Albuquerque economy posted a modest 2.0 percent gain in nonagricultural employment, representing 4,500 jobs, and a small improvement over 1.6 percent growth in 1987. Retail trade performed well with 3.9 percent growth in 1988, indicating a decent year for tourism. About 400-500 manufacturing jobs were added as electronics firms expanded their payrolls. Local government employment has increased 5.0 percent during the year. Yet, construction employment in Albuquerque fell 3.7 percent, representing a loss of 2,500 jobs since 1985. The city's large services sector grew slowly at 2.0 percent. About 500 of the PNM layoffs occurred in Albuquerque; this layoff's impact should knock off about half a percentage point of growth in 1989.

Las Cruces experienced very unbalanced growth in 1988 as just three sectors performed strongly (trade, services and FIRE), while all other sectors declined, totaling a 1.7 percent job gain. Santa Fe's economy had a respectable year, with nonagricultural employment jumping 3.4 percent and a relatively low jobless rate of 5.4 percent.

New Mexico will feel the impact of several national economic trends in 1989: higher oil prices, interest rates, and inflation. Among them, higher oil prices should mean more oil production and revenues for state government next year. Rising interest rates should dampen demand for single family homes. Growth of state personal income is estimated to be 6.0 percent in 1989 compared to about 7.0 percent for the nation.

(Continued on Page 7)

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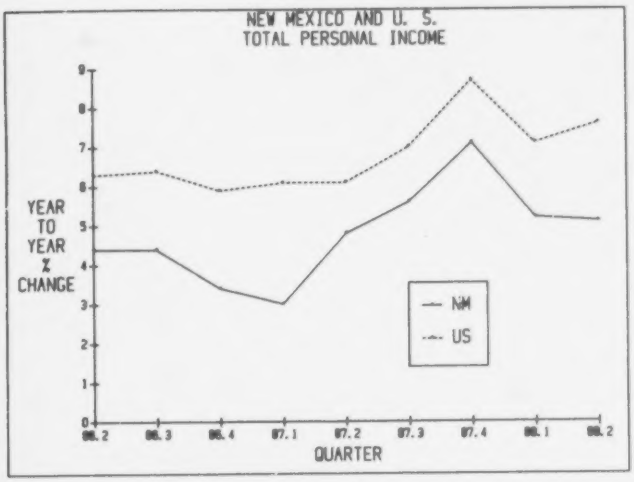
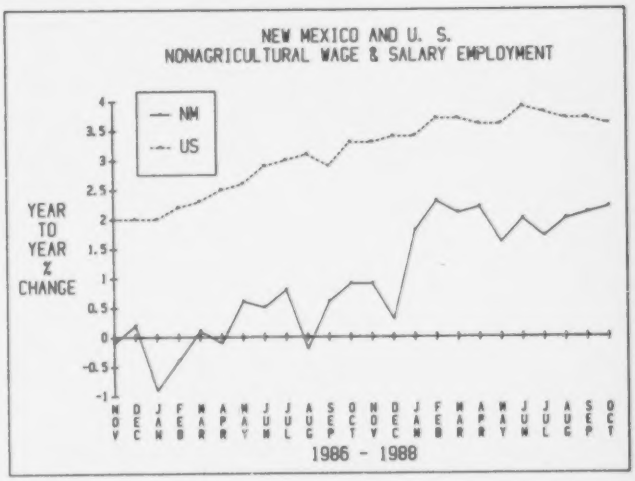
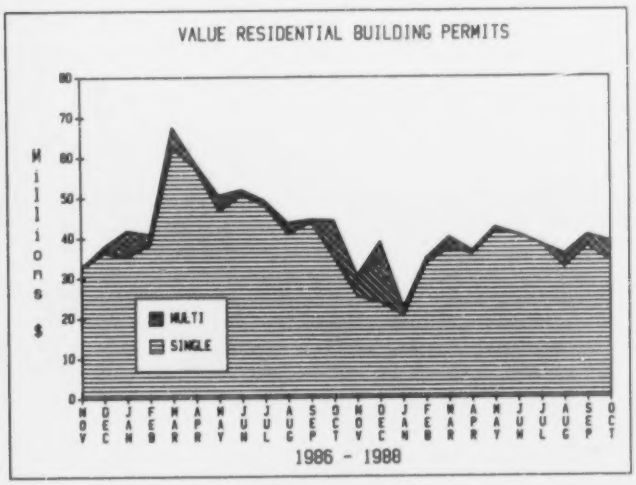
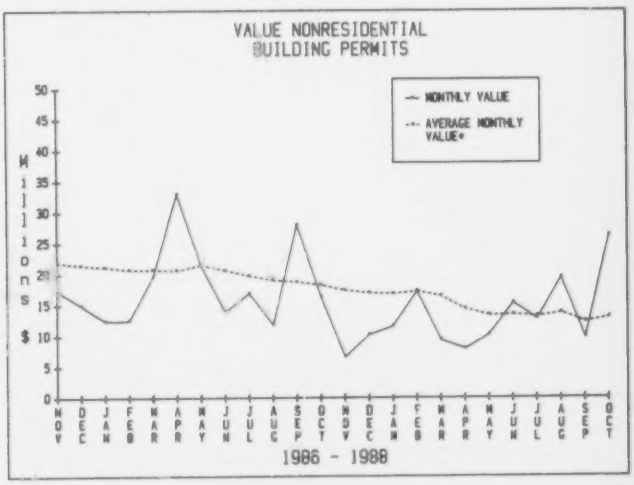
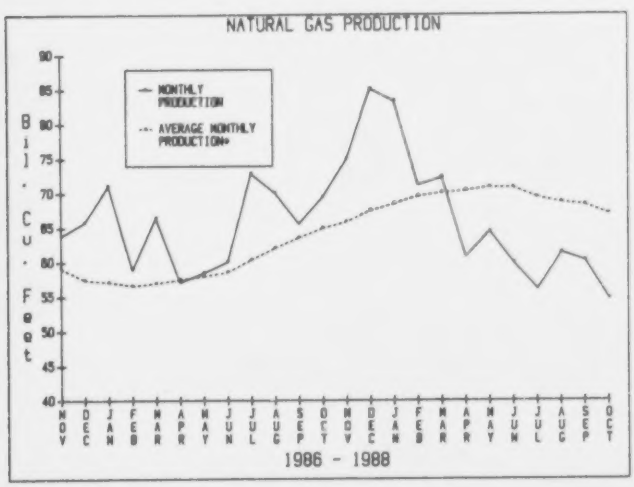
ECONOMIC TRENDS IN NEW MEXICO

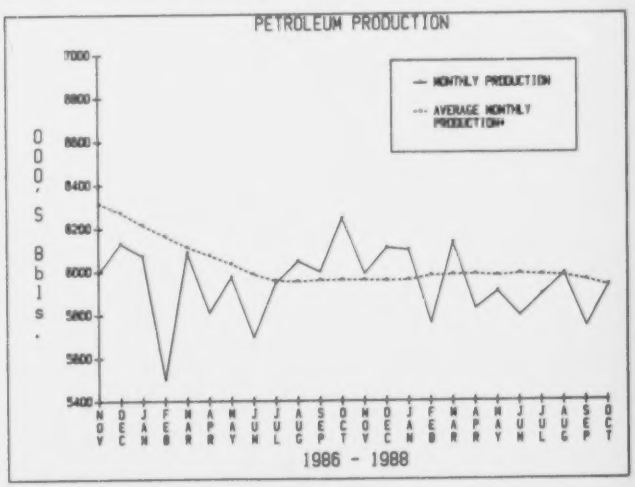












* 12 month moving average. For example, the point for August, 1988 represents an average of data from September, 1987 through August, 1988.

U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1982-84=100)				
All items	Oct 88	120.2	4.2	119.8
Food and beverages	Oct 88	120.3	5.2	120.1
Housing	Oct 88	119.9	3.8	119.9
Apparel and upkeep	Oct 88	120.7	4.6	117.8
Transportation	Oct 88	110.0	2.7	109.7
Medical care	Oct 88	141.2	6.7	140.4
Entertainment	Oct 88	121.8	4.2	121.3
Other goods and services	Oct 88	140.6	6.8	140.0
Revised series, wage earners and clerical workers (1982-84=100)				
All items	Oct 88	118.9	4.2	118.5
Gross national product* ($Bil. constant)	Q3 88	4010.9	3.8	3985.2
Prime interest rate** (% per annum)	Oct 88	10.0	11.1	10.0
Mortgage interest rate*** (% per annum)	Oct 88	9.1	-1.6	9.3
3 month treasury bill# (% per annum)	Oct 88	7.3	14.7	7.2
Industrial production## (1977=100)	Oct 88	139.2	5.1	138.7
Manufacturers new orders## ($Bil.)	Sep 88	222.5	8.4	227.0

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Oct 88	655.4	2.0	647.2	116,250	2.1	115,474
Unemployment rate (%)	Oct 88	7.0	-10.3	7.3	5.0	-12.3	5.2
Nonagricultural employment (000)	Oct 88	548.8	2.2	547.4	107,929	3.6	107,129
Personal income### ($Mil.)	Q2 88	18,621	5.1	18,211	4,003,548	7.6	3,923,680
Housing units permitted							
Single	Oct 88	460	-12.7	513	82,758	-0.3	84,772
Multi	Oct 88	305	41.2	83	40,986	-1.2	40,219

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
# Rate on new issues within period; bank discount basis.
Monthly data seasonally adjusted.
Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
1. GENERAL					
Civilian labor force* (000)	Oct 88	704.6	1.1	698.3	0.5
Total employment* (000)	Oct 88	655.4	2.0	647.2	1.5
Unemployment* (000)	Oct 88	49.2	-9.4	51.1	-9.3
Unemployment rate (%)	Oct 88	7.0	-10.3	7.3	-9.9
Weekly new unemployment insurance claims	Oct 88	1281.0	7.5	1149.0	-7.1
Nonagricultural wage/salary employment**(000)	Oct 88	548.8	2.2	547.4	1.8
New business incorporations	Sep 88	213.0	3.4	209.0	3.0
Personal income*** ($ mil.)	Q2 88	18621.0	5.1	18211.0	5.7
2. AGRICULTURAL RECEIPTS					
Livestock and products ($ mil.)	Aug 88	62.2	24.9	58.0	-6.3
Crops ($ mil.)	Aug 88	39.2	-1.0	39.3	3.0
Total ($ mil.)	Aug 88	101.3	13.3	97.3	-3.5
3. MINING					
Employment** (000)	Oct 88	15.3	-1.9	15.4	4.1
Average hourly earnings ($)	Oct 88	12.14	4.9	12.14	0.7
Petroleum production (000 bbls.)	Oct 88	5932.2	-5.0	5742.7	-0.5
Natural gas production (bil. cu. ft.)	Oct 88	54.7	-21.3	60.2	3.1
Coal production (000 short tons)	Oct 88	1663.0	-17.4	1700.0	6.6
Oil well completions&	Oct 88	34.0	-41.4	59.0	19.1
Gas well completions&	Oct 88	39.0	62.5	35.0	30.7
Total footage drilled&& (000)	Oct 88	498.0	23.4	495.3	24.7
Oil sales ($ mil.)	Aug 88	82.6	-26.1	82.3	0.9
Gas sales ($ mil.)	Aug 88	81.5	-17.7	74.2	18.8
4. CONSTRUCTION					
Employment** (000)	Oct 88	30.6	-5.8	30.7	-6.5
Average hourly earnings ($)	Oct 88	11.71	7.2	11.51	2.8
Residential units permitted	Oct 88	765.0	3.0	596.0	-23.6
Residential building permits ($ mil.)	Oct 88	38.9	-12.4	40.6	-22.0
Nonresidential building permits ($ mil.)	Oct 88	26.2	60.7	9.7	-28.3
Residential construction contracts ($ mil.)	Oct 88	49.8	1.4	46.4	-10.3
Nonresidential construction contracts ($mil.)	Oct 88	45.6	-1.1	31.0	4.1
Nonbuilding construction contracts ($ mil.)	Oct 88	59.4	435.1	27.9	-1.5
5. TRANSPORTATION/COMMUNICATION/UTILITIES					
Employment** (000)	Oct 88	29.0	-0.3	28.7	-0.3
Average hourly earnings## ($)	Oct 88	13.77	2.3	13.91	4.2
6. MANUFACTURING					
Employment** (000)	Oct 88	41.8	4.5	41.6	5.5
Average hourly earnings ($)	Oct 88	8.65	-2.3	8.74	1.2
Electric & electronic equipment employment** (000)	Oct 88	5.7	11.8	5.6	12.5
Transportation equipment employment** (000)	Oct 88	5.7	9.6	5.6	20.0
Food & kindred products employment** (000)	Oct 88	4.4	0.0	4.5	-9.5
Textile & apparel employment** (000)	Oct 88	2.7	0.0	2.7	3.8
Lumber & wood products employment** (000)	Oct 88	2.7	0.0	2.8	3.8

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
7. TRADE					
Wholesale employment** (000)	Oct 88	23.0	0.4	22.9	0.4
Retail employment** (000)	Oct 88	111.5	4.0	111.9	3.3
Average hourly earnings ($)	Oct 88	6.75	1.2	6.89	0.5
8. FINANCE/INSURANCE/REAL ESTATE					
Employment** (000)	Oct 88	27.8	1.5	27.7	1.9
Bank average hourly earnings ($)	Oct 88	6.50	9.2	6.20	4.3
Bank total assets ($ mil.)	Q4 87	9762.9	-1.1	9430.4	0.2
Bank total deposits ($mil.)	Q4 87	8374.6	-1.7	8092.7	-0.2
Bank gross loans ($ mil.)	Q3 87	5671.0	2.4	5663.6	1.1
S & L total assets ($ mil.)	Sep 88	5581.0	-10.5	5850.0	0.0
S & L total deposits ($ mil.)	Sep 88	4689.0	1.4	4819.0	4.4
S & L new mortgage loans closed&&& ($ mil.)	Sep 88	99.0	-14.7	107.0	-38.7
9. SERVICES AND TOURISM					
Total service employment** (000)	Oct 88	126.8	3.8	127.2	2.5
Lodging employment** (000)	Oct 88	11.5	0.0	11.9	0.0
Eating & drinking places employment** (000)	Oct 88	42.8	7.0	43.4	6.2
Visits to state parks (000)	Dec 87	129.3	-36.3	233.4	-8.7
Visits to national parks/monuments (000)	Oct 88	162.9	21.7	172.5	0.4
Passenger traffic at Albuquerque airport@ (000)	Oct 88	386.4	3.0	358.1	-1.8
Lodgers tax receipts### ($ 000)	Q2 88	2285.1	19.6	1861.5	19.9
Lodging occupancy rates (%)	Oct 88	72.2	-1.2	71.0	6.5
10. GOVERNMENT					
Total government employment** (000)	Oct 88	143.0	2.2	141.3	1.1
Federal employment** (000)	Oct 88	29.6	-2.0	29.9	-1.3
State employment** @@ (000)	Oct 88	50.5	3.1	49.9	-0.6
Local employment** (000)	Oct 88	62.9	3.6	61.5	3.7
Total general fund revenues@@@ ($ mil.)	Sep 88	128.3	4.4	128.5	7.3

Note: selected data items subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
# For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
Communications and utilities only.
A portion of the increase in lodgers tax receipts is attributable to an increase in the rate levied by the City of Santa Fe. The rate increased from 3 to 4 percent as of July 1, 1987.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,955 as of August 1986 according to U. S. Dept. of Energy, Public Affairs.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
New Mexico Regulation and Licensing Dept., Financial Institutions Division: Section 8;
New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Pannell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE##
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* AUG-OCT	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* MAY-JUL
Alamogordo	$ 14,890	-3.4	$ 15,482
Albuquerque	242,112	8.7	236,598
Artesia	4,792	1.3	5,117
Carlsbad	12,277	10.2	11,724
Clovis	17,774	11.2	16,817
Deming	5,604	10.5	5,735
Espanola	7,395	1.1	7,335
Farmington	28,332	3.8	27,222
Gallup	24,126	6.3	23,561
Hobbs	17,815	14.6	16,970
Las Cruces	35,165	1.8	37,081
Las Vegas	6,290	6.9	5,984
Los Alamos	7,159	16.7	6,092
Portales	4,975	-13.2	5,489
Rio Rancho	6,123	32.2	5,638
Roswell	19,097	4.1	19,329
Ruidoso	6,765	-7.7	5,331
Santa Fe	59,642	10.0	51,854
Silver City	8,394	2.6	8,124
Taos	9,514	12.0	7,604
State total	708,499	11.1	663,192

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
\#\# Estimates for May, 1987 based on incomplete data.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.
Note: Rio Rancho now replaces Grants in the top 20 cities.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	OCT. 1988	OCT. 1987	CUMULATIVE TOTAL THROUGH OCT. 1988	CUMULATIVE TOTAL THROUGH OCT. 1987	OCT. 1988	OCT. 1987	CUMULATIVE TOTAL THROUGH OCT. 1988	CUMULATIVE TOTAL THROUGH OCT. 1987
NEW RESIDENTIAL**								
Alamogordo	6	29	85	234	$ 446	$ 1,003	$ 4,882	$ 9,718
Albuquerque	165	283	1,889	2,824	12,530	17,269	130,380	181,019
Carlsbad	0	4	30	72	0	238	1,800	4,118
Clovis	5	14	27	89	375	658	2,169	5,354
Farmington	2	9	29	64	126	557	1,835	3,533
Hobbs	0	3	5	25	0	138	787	1,454
Las Cruces	47	26	481	619	1,604	1,473	23,233	26,126
Los Alamos	0	2	19	60	0	355	2,295	8,208
Rio Rancho***	55	81	844	784	2,636	3,601	36,821	43,118
Roswell	5	12	56	70	437	1,183	4,045	4,763
Ruidoso	6	6	50	65	366	395	3,541	4,202
Santa Fe	314	21	701	431	7,544	1,925	31,127	22,705
NEW NONRESIDENTIAL								
Alamogordo	6	6	52	40	36	143	3,172	2,179
Albuquerque	4	2	46	34	17,410	1,128	56,307	59,938
Carlsbad	11	6	56	53	56	35	662	632
Clovis	4	3	18	20	1,200	567	3,910	2,189
Farmington	0	5	14	22	0	482	2,172	1,990
Hobbs	0	1	3	8	0	9	372	565
Las Cruces	14	6	149	146	1,053	150	10,112	11,317
Los Alamos	4	5	14	17	5	208	219	1,135
Rio Rancho***	1	0	15	30	131	0	6,748	8,310
Roswell	4	5	62	83	413	913	1,376	1,701
Ruidoso	0	0	10	3	0	0	64	500
Santa Fe	3	2	34	51	154	240	4,047	9,930

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** Residential data includes both single and multi family units.
*** City of Rio Rancho reported Rio Rancho data.

Sources: City of Rio Rancho: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	OCT. p	% CHANGE YEAR AGO	SEPT.r	OCT. p	% CHANGE YEAR AGO	SEPT.r	OCT. p	% CHANGE YEAR AGO	SEPT.r	OCT. p	% CHANGE YEAR AGO	SEPT.r
TOTAL CIVILIAN LABOR FORCE	704.6	1.1	698.3	270.7	2.5	270.1	60.0	3.3	57.7	67.8	2.6	67.8
Employment@	655.4	2.0	647.2	255.7	3.2	254.4	55.9	3.7	53.6	64.6	3.0	64.7
Unemployment	49.2	-9.4	51.1	15.0	-7.4	15.7	4.1	-2.4	4.1	3.2	-5.9	3.1
Unemployment rate (%)	7.0	-10.3	7.3	5.5	-9.8	5.8	6.8	-5.6	7.1	4.7	-9.6	4.6
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	548.8	2.2	547.4	239.6	2.1	240.0	42.5	3.7	41.4	55.8	3.5	56.1
Mining	15.3	-1.9	15.4	0.1	-50.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	30.6	-5.8	30.7	15.7	-1.9	15.8	2.2	0.0	2.2	2.6	0.0	2.6
Manufacturing	41.8	4.5	41.6	20.6	2.0	20.5	4.4	-2.2	4.4	1.8	5.9	1.8
Durable goods	28.3	5.6	28.0	14.9	2.8	14.8	1.6	-11.1	1.6	1.2	9.1	1.2
Nondurable goods	13.5	2.3	13.6	5.7	0.0	5.7	2.8	3.7	2.8	0.6	0.0	0.6
Transportation & public utilities	29.0	-0.3	28.7	12.5	0.0	12.5	1.3	-7.1	1.3	1.2	0.0	1.3
Trade	134.5	3.4	134.8	62.7	3.8	62.9	9.2	10.8	9.2	11.2	5.7	11.4
Wholesale	23.0	0.4	22.9	14.3	0.7	14.3	1.0	11.1	0.9	0.9	12.5	0.9
Retail	111.5	4.0	111.9	48.4	4.8	48.6	8.3	12.2	8.3	10.3	5.1	10.6
Finance,insurance, & real estate	27.8	1.5	27.7	15.1	1.3	15.1	1.8	5.9	1.8	1.9	-5.0	1.9
Services	126.8	3.8	127.2	65.3	1.9	65.4	7.1	9.2	6.8	14.8	2.1	15.1
Government	143.0	2.2	141.3	47.6	2.8	47.7	16.6	0.0	15.8	22.3	5.2	22.1
Federal	29.6	-2.0	29.9	13.1	0.8	13.3	4.2	-2.3	4.2	1.6	0.0	1.6
State	50.5	3.1	49.9	13.3	3.1	13.5	6.8	-2.9	6.2	16.4	5.1	16.3
Local	62.9	3.6	61.5	21.2	3.9	20.9	5.6	5.7	5.4	4.3	7.5	4.2

N Not available, less than 50 jobs.
P Preliminary.
R Revised.

Source: New Mexico Department of Labor.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

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(Continued from Page 1)

Accelerating inflation means that real disposable income will grow more slowly, at a rate of about 1.0 percent. The New Mexico unemployment rate should dip to 8.0 percent next year even with more growth in the civilian labor force. Nonagricultural employment is estimated to rise 1.7 percent in 1989, roughly similar to U.S. job growth, and employment gains should be fairly evenly spread among the sectors.

On the upside, jobs in the state's trade sector should expand 2.4 percent and in services by 2.1 percent. Manufacturing is projected to increase employment by 2.3 percent. The FIRE sector should experience similar job growth, while TCU should see a decline of more than 1.0 percent next year. Mining can also expect small job gains. The downward spiral of construction employment since 1985 appears to be ebbing, yet the industry is expected to register a small decline of about 1.0 percent and authorized housing units are projected to drop over 4.0 percent next year.

New Mexico's large government sector can expect modest growth of 1.6 percent in 1989. Local government job gains are estimated at more than 2.0 percent, state government should be near 2.0 percent, and federal employment will be at a standstill.

Given the uncertain and constraining fiscal environment in the federal government and likely cuts in real defense spending, an ominous cloud hangs over the otherwise recovering New Mexico economy. The large federal deficit, Gramm-Rudman, and uncertainty surrounding the Star Wars program all point to little growth in federal spending in the state's economy. Federal spending declined slightly in real terms during the last fiscal year (FY87). At best, federal spending may reach no real growth wherein New Mexico would escape real cuts. This is very important to the state, since historically increases in employment tend to rise in tandem with increases in federal expenditures. Federal spending directly accounts for about 15.0 percent of New Mexico's nonagricultural jobs according to BBER estimates. This employment figure includes military bases, two national labs, and private contractors. The state has to appeal to other sectors of the economy, such as manufacturing, mining, tourism and services, to propel future growth.

The outlook for Albuquerque's economy is for modest growth in 1989. Nonagricultural employment is projected to rise almost 2.0 percent in 1989, with the addition of about 4,000 jobs. Manufacturing, government, and services employment growth is estimated to be around 2.0 percent. Trade employment should be somewhat healthier, rising 2.6 percent. Las Cruces and Santa Fe can both look forward to fair and generally balanced growth among the sectors, with job growth of over 2.0 percent.

Richard Zimmerman, Economist

(This 1988 and 1989 analysis of the New Mexico economy is based on estimates and projections of the Bureau of Business and Economic Research utilizing an econometric model of the New Mexico economy.)

Business and Industry Data Center Update

The New Mexico Business and Industry Data Center (BIDC), initiated by the U.S. Census Bureau, the state's Economic Development and Tourism Department and the Bureau of Business and Economic Research (BBER), is underway. An article was featured in the March, 1988 issue of *New Mexico Business* detailing the objectives of the program and how these will be attained. To recap, the basic goals of the BIDC program are to increase the awareness of and access to economic and demographic data by the private and public sectors in New Mexico and to seek wider use of these data in business planning decisions. To attain these objectives the BIDC program will center around an affiliate network dispersed geographically throughout the state. These BIDC affiliates will house the data for public use. The types of data available through the affiliate network will focus primarily on the economic censuses published by the U.S. Census Bureau. All affiliates will receive extensive training in utilizing the publications and will be able to answer data requests via the telephone, in person or by letter.

Currently, the BBER is finalizing the affiliate network. The BBER is working with the Small Business Administration and the New Mexico Association of Community, Junior and Technical Colleges to solidify a union between the New Mexico Small Business Development Center (SBDC) and the BIDC programs. The SBDC program will provide management assistance and general informational counseling services to small businesses around New Mexico. The coupling of the two will lead to an increase in each other's effectiveness. We are anticipating the project to become operational the beginning of January, 1989.

Another phase of the BIDC program will be to establish an electronic bulletin board. This will enable the affiliates to communicate among themselves and access more data. The bulletin board will be available to the public. The types of data that will be found on the bulletin board will range from population estimates to the Consumer Price Index. Each data set will have a help screen to assist the user, several years or months of data, the source of the data and any other pertinent information that will be needed to use the data.

In addition to the BIDC affiliate network and the electronic bulletin board, the program will also focus on the collection of tourism data for New Mexico. Eventually, we hope we can establish an index to gage tourism in the state. However, at this time we are concentrating on establishing the network and the bulletin board.

The dispersion of data through the BIDC program will help business persons make better informed business decisions. As a result, these decisions may assist in improving the state's overall economic environment, making New Mexico even more attractive to prospective companies who may consider locating here.

Juliana Boyle, Economist

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